



VIETNAM NATIONAL PETROLEUM GROUP

**The Parent Company - Vietnam National
Petroleum Group**

Separate interim financial statements for
the six-month period ended 30 June 2017



The Parent Company - Vietnam National Petroleum Group Corporate Information

Establishment Documents Decision No. 224/QD-TTg dated 14 April 1995 of the Prime Minister on establishment of Vietnam National Petroleum Corporation.

Decision No. 828/QD-TTg dated 31 May 2011 of the Prime Minister on the approval of the equitization and restructuring plan of Vietnam National Petroleum Corporation.

Business Registration Certificate No. 0100107370 initially issued by the Hanoi Department of Planning and Investment on 5 May 1995. The Business Registration Certificate has been amended several times, the most recent of which is by Business Registration Certificate dated 19 September 2016.

Board of Management	Mr. Bui Ngoc Bao	Chairman
	Mr. Nguyen Thanh Son	Member
	Mr. Nguyen Duc Thang	Member
	Mr. Tran Ngoc Nam	Member
	Mr. Le Van Huong	Member
	Mr. Nguyen Anh Dung	Member
	Mr. Vu Ba Phu	Member
	Mr. Hitoshi Kato	Member

Mr. Pham Van Thanh Member *(from 25/4/2017)*

Board of General Directors	Mr. Tran Van Thinh	General Director
	Mr. Nguyen Quang Kien	Deputy General Director
	Mr. Vuong Thai Dung	Deputy General Director
	Mr. Tran Ngoc Nam	Deputy General Director
	Mr. Pham Duc Thang	Deputy General Director
	Mr. Vu Ba Phu	Deputy General Director
	Mr. Nguyen Quang Dung	Deputy General Director <i>(from 1/4/2017)</i>
	Mr. Nguyen Van Su	Deputy General Director <i>(from 1/4/2017)</i>

Registered Office No. 1, Kham Thien Street, Dong Da District
Hanoi, Vietnam

Auditor KPMG Limited
Vietnam

The Parent Company - Vietnam National Petroleum Group Statement of the Board of General Directors

The Board of General Directors of the Parent Company - Vietnam National Petroleum Group (the "Parent Company") presents this statement and the accompanying separate interim financial statements of the Parent Company for the six-month period ended 30 June 2017.

The Board of General Directors is responsible for the preparation and fair presentation of the separate interim financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting. In the opinion of the Board of General Directors:

- (a) the separate interim financial statements set out on pages 5 to 48 give a true and fair view of the unconsolidated financial position of the Parent Company as at 30 June 2017, and of the unconsolidated results of operations and the unconsolidated cash flows of the Parent Company for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting; and
- (b) at the date of this statement, there are no reasons to believe that the Parent Company will not be able to pay its debts as and when they fall due.

On the date of this statement, the Parent Company's Board of General Directors has authorised the accompanying separate interim financial statements for issue.

On behalf of the Board of General Directors



Trần Văn Thịnh
General Director

Hanoi, **28 AUG 2017**



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INTERIM FINANCIAL STATEMENTS REVIEW REPORT

**To: The Shareholders
The Board of Management and the Board of General Directors
The Parent Company - Vietnam National Petroleum Group**

We have reviewed the accompanying separate interim financial statements of The Parent Company - Vietnam National Petroleum Group ("the Parent Company"), which comprise the separate balance sheet as at 30 June 2017, the separate statements of income and cash flows for the six-month period then ended and the explanatory notes thereto which were authorised for issue by the Parent Company's Board of General Directors on 28 AUG 2017, as set out on pages 5 to 48.

Board of General Directors's Responsibility

The Parent Company's Board of General Directors is responsible for the preparation and fair presentation of these separate interim financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting, and for such internal control as the Board of General Directors determines is necessary to enable the preparation of separate interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on these separate interim financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on review engagements 2410 - Review of interim financial information performed by the independent auditor of the entity.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Auditor's Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying separate interim financial statements do not give a true and fair view, in all material respects, of the unconsolidated financial position of The Parent Company - Vietnam National Petroleum Group as at 30 June 2017 and of its unconsolidated results of operations and its unconsolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting.

KPMG Limited

Vietnam

Review Report No.: 17-02-103-SX-R



Đàm Xuân Lam

Practicing Auditor Registration

Certificate No.: 0861-2013-007-1

Deputy General Director

Hanoi, **28 AUG 2017**

The Parent Company - Vietnam National Petroleum Group
Separate balance sheet as at 30 June 2017

Form B 01a – DN
(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

	Code	Note	30/6/2017 VND	1/1/2017 VND
ASSETS				
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100		22,502,995,665,168	20,788,643,235,714
Cash and cash equivalents	110	8	8,420,897,148,594	8,240,035,351,300
Cash	111		3,314,897,148,594	3,018,035,351,300
Cash equivalents	112		5,106,000,000,000	5,222,000,000,000
Short-term financial investments	120		1,000,000,000,000	-
Held-to-maturity investments	123	9	1,000,000,000,000	-
Accounts receivable – short-term	130		3,227,309,314,620	4,404,397,767,691
Accounts receivable from customers	131	10	2,943,782,384,892	4,188,044,198,235
Prepayments to suppliers	132		29,293,921,495	9,997,119,458
Other receivables	136	11	254,233,008,233	206,356,449,998
Inventories	140	12	8,430,794,243,302	5,806,182,741,469
Inventories	141		8,456,827,863,067	5,806,182,741,469
Allowance for inventories	149		(26,033,619,765)	-
Other current assets	150		1,423,994,958,652	2,338,027,375,254
Short-term prepaid expenses	151	17(a)	123,384,593,414	85,801,855,908
Deductible value added tax	152		218,604,170,709	114,247,556,495
Taxes and other receivables from State Treasury	153	19	1,058,609,704,703	2,098,902,252,217
Other current assets	155	13	23,396,489,826	39,075,710,634

The accompanying notes are an integral part of these separate interim financial statements

The Parent Company - Vietnam National Petroleum Group
Separate balance sheet as at 30 June 2017 (continued)

Form B 01a – DN

*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	30/6/2017 VND	1/1/2017 VND
Long-term assets (200 = 220 + 240 + 250 + 260)	200		11,469,069,773,786	10,120,639,912,591
Fixed assets	220		354,523,667,644	380,650,367,677
Tangible fixed assets	221	14	84,731,267,084	89,378,694,789
<i>Cost</i>	222		261,897,885,955	254,362,602,955
<i>Accumulated depreciation</i>	223		(177,166,618,871)	(164,983,908,166)
Intangible fixed assets	227	15	269,792,400,560	291,271,672,888
<i>Cost</i>	228		508,586,530,215	505,427,350,215
<i>Accumulated amortisation</i>	229		(238,794,129,655)	(214,155,677,327)
Long-term work in progress	240		22,953,979,719	4,733,890,877
Construction in progress	242		22,953,979,719	4,733,890,877
Long-term financial investments	250	16	10,820,714,471,698	9,435,304,357,186
Investments in subsidiaries	251		9,940,601,797,092	8,606,835,827,092
Investments in associates, joint-ventures	252		1,270,858,550,840	1,270,858,550,840
Equity investments in other entities	253		105,912,752,200	105,912,752,200
Allowance for diminution in the value of long-term financial investments	254		(496,658,628,434)	(548,302,772,946)
Other long-term assets	260		270,877,654,725	299,951,296,851
Long-term prepaid expenses	261	17(b)	247,742,195,321	272,607,134,986
Other long-term assets	268	13	23,135,459,404	27,344,161,865
TOTAL ASSETS (270 = 100 + 200)	270		33,972,065,438,954	30,909,283,148,305

The accompanying notes are an integral part of these separate interim financial statements

The Parent Company - Vietnam National Petroleum Group
Separate balance sheet as at 30 June 2017 (continued)

Form B 01a – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	30/6/2017 VND	1/1/2017 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		14,145,429,075,376	13,058,379,181,069
Current liabilities	310		14,145,429,075,376	13,058,344,181,069
Accounts payable to suppliers	311	18	7,359,405,620,748	8,308,613,189,672
Advances from customers	312	19	337,367,269,095	141,997,699,989
Taxes and others payable to State Treasury	313	20	76,485,906,477	246,265,361,007
Payables to employees	314		18,972,042,252	23,930,083,784
Accrued expenses	315		1,338,933,087	18,164,328,307
Other payables – short-term	319	21	280,169,859,174	287,206,600,091
Short-term borrowings	320	22	3,492,838,024,176	2,163,717,065,494
Bonus and welfare fund	322		26,616,077,546	37,471,786,705
Petroleum price stabilization fund	323	23	2,552,235,342,821	1,830,978,066,020
Long-term liabilities	330		-	35,000,000
Science and technology development fund	343		-	35,000,000
EQUITY (400 = 410)	400		19,826,636,363,578	17,850,903,967,236
Owners' equity	410	24	19,826,636,363,578	17,850,903,967,236
Share capital	411	25	12,938,780,810,000	12,938,780,810,000
Ordinary shares with voting rights	411a		12,938,780,810,000	12,938,780,810,000
Share premium	412		2,200,497,954,580	1,390,950,518,669
Treasury shares	415		(1,350,648,460,000)	(1,550,648,460,000)
Investment and development fund	418	26	3,261,509,635	3,261,509,635
Retained profits	421		6,034,744,549,363	5,068,559,588,932
- Retained profits brought forward	421a		5,068,559,588,932	5,068,559,588,932
- Retained profit for the current period/year	421b		966,184,960,431	-
TOTAL RESOURCES (440 = 300 + 400)	440		33,972,065,438,954	30,909,283,148,305

28 AUG 2017

Prepared by:



Pham Viet Tiep
Accountant

Approved by:



Hoang Chi Mai
Manager of Accounting Department



Tran Van Thinh
General Director

The accompanying notes are an integral part of these separate interim financial statements

The Parent Company - Vietnam National Petroleum Group
Separate statement of income for the six-month period ended 30 June 2017

Form B 02a – DN

(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

	Code	Note	Six-month period ended	
			30/6/2017 VND	30/6/2016 VND
Revenue from sales of goods and provision of services	01	28	50,129,991,537,703	38,193,590,316,742
Cost of sales	11	29	49,254,102,978,444	36,953,407,973,251
Gross profit (20 = 01 - 11)	20		875,888,559,259	1,240,182,343,491
Financial income	21	30	916,799,167,333	676,776,023,682
Financial expenses	22	31	113,024,964,363	115,010,392,261
<i>In which: Interest expense</i>	23		62,805,028,916	109,302,871,871
Selling expenses and general and administration expenses	25	32	735,085,690,018	655,968,320,044
Net operating profit (30 = 20 + 21 - 22 - 25)	30		944,577,072,211	1,145,979,654,868
Other income	31	33	104,678,431,157	12,974,151,302
Other expenses	32		7,277,898,761	3,102,582,360
Results of other activities (40 = 31 - 32)	40		97,400,532,396	9,871,568,942
Accounting profit before tax (50 = 30 + 40)	50		1,041,977,604,607	1,155,851,223,810
Income tax expense – current	51	35	75,792,644,176	144,626,244,394
Net profit after tax (60 = 50 - 51)	60		966,184,960,431	1,011,224,979,416

28 AUG 2017

Prepared by:



Pham Viet Tiep
Accountant

Approved by:



Hoang Chi Mai
Manager of Accounting Department



Tran Van Thinh
General Director

The accompanying notes are an integral part of these separate interim financial statements

The Parent Company - Vietnam National Petroleum Group
Separate statement of cash flows for the six-month period ended 30 June 2017
(Indirect method)

Form B 03a – DN
(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

	Code	Six-month period ended	
		30/6/2017 VND	30/6/2016 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
Accounting profit before tax	01	1,041,977,604,607	1,155,851,223,810
Adjustments for			
Depreciation and amortisation	02	36,821,163,033	34,267,250,325
Allowances and provisions	03	(25,610,524,747)	(98,140,955,760)
Exchange losses/(gains) arising from revaluation of monetary items denominated in foreign currencies	04	7,243,975,298	(40,165,286,376)
Profits from investing activities	05	(806,350,109,277)	(502,660,026,987)
Interest expense	06	62,805,028,916	109,302,871,871
Other adjustments	07	715,995,181,937	(958,392,153,339)
Operating profit/(loss) before changes in working capital	08	1,032,882,319,767	(299,937,076,456)
Change in receivables	09	2,197,972,917,085	(825,895,379,884)
Change in inventories	10	(2,650,645,121,598)	(1,872,596,956,995)
Change in payables and other liabilities	11	(2,010,026,324,656)	2,050,705,885,490
Change in prepaid expenses	12	(12,717,797,841)	9,415,953,998
		(1,442,534,007,243)	(938,307,573,847)
Interest paid	14	(62,646,741,636)	(113,895,827,263)
Income tax paid	15	(354,250,089,392)	(1,394,083,999)
Other payments for operating activities	17	(9,448,062,328)	(5,231,850,000)
Net cash flows from operating activities	20	(1,868,878,900,599)	(1,058,829,335,109)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for additions to fixed assets and other long-term assets	21	(25,609,134,478)	(52,903,481,186)
Proceeds from disposals of fixed assets and other long-term assets	22	454,545	-
Payments for granting loans, purchase of debt instruments of other entities	23	(1,000,000,000,000)	-
Receipts from collecting loans	24	19,887,923,269	54,954,623,029
Receipts of interests on loans given, term deposits, dividends, and shares of profits	27	722,584,257,108	561,665,158,532
Net cash flows from investing activities	30	(283,136,499,556)	563,716,300,375

The accompanying notes are an integral part of these separate interim financial statements

The Parent Company - Vietnam National Petroleum Group
Separate statement of cash flows for the six-month period ended 30 June 2017
(Indirect method – continued)

Form B 03a – DN
(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

	Code	Six-month period ended	
		30/6/2017 VND	30/6/2016 VND
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from shares issued	31	-	4,039,370,548,092
Proceeds from transfer of treasury shares	31	1,009,547,435,911	-
Proceeds from short-term and long-term borrowings	33	22,593,139,191,594	26,331,489,740,840
Payments to settle loan principals	34	(21,269,793,917,253)	(29,561,204,466,406)
Net cash flows from financing activities	40	2,332,892,710,252	809,655,822,526
Net cash flows during the period (50 = 20 + 30 + 40)	50	180,877,310,097	314,542,787,792
Cash and cash equivalents at the beginning of the period	60	8,240,035,351,300	7,778,553,550,138
Effect of exchange rate fluctuations on cash and cash equivalents	61	(15,512,803)	(235,503,799)
Cash and cash equivalents at the end of the period (70 = 50 + 60 + 61) (Note 8)	70	8,420,897,148,594	8,092,860,834,131

28 AUG 2017

Prepared by:



Pham Viet Tiep
Accountant

Approved by:



Hoang Chi Mai
Manager of Accounting Department



Tran Van Thinh
General Director

The accompanying notes are an integral part of these separate interim financial statements

The Parent Company - Vietnam National Petroleum Group
Notes to the separate interim financial statements for the six-month period ended
30 June 2017

Form B 09a – DN

*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

These notes form an integral part of and should be read in conjunction with the accompanying separate interim financial statements.

1. Reporting entity

(a) Ownership structure

Vietnam National Petroleum Group (“the Parent Company”), previously known as Vietnam National Petroleum Corporation, a state-owned company operating in the petroleum business, was established under Decision No. 224/QD-TTg dated 14 April 1995 by the Prime Minister. The Group was granted a special rank by the Prime Minister under Decision No. 186/TTg dated 28 March 1996, aiming at enhancement of concentration, specialization, and cooperation in production and business to execute the functions assigned by the State, improving the competence and efficiency of member companies and the Group and meeting the requirements for development of the economy. For the purpose of presenting these separate interim financial statements, the Parent Company and its subsidiaries will be collectively referred to as the Group.

In accordance with Decision No. 828/QD-TTg dated 31 May 2011 by the Prime Minister on the approval of the equitization and restructuring plan of Vietnam National Petroleum Corporation and Business Registration Certificate No. 0100107370 dated 1 December 2011, Vietnam National Petroleum Corporation officially changed to a joint stock company on 1 December 2011 and become Vietnam National Petroleum Group. The Parent Company inherited all rights and obligations from Vietnam National Petroleum Corporation in accordance with legal regulations.

(b) Principal activities

The principal activities of the Parent Company - Vietnam National Petroleum Group include import, export, and trading of petroleum products, petrochemical products, materials and equipment for the petroleum industry; development of strategies and plans for development of the petroleum industry for the entire Group; and management the portion of contributed capitals of the Group in other entities.

(c) Normal operating cycle

The normal operating cycle of the Parent Company is generally within 12 months.

(d) Group structure

The Group structure comprises of the Parent Company and its member companies. As at 30 June 2017, the Parent Company had 66 subsidiaries including 43 petroleum companies fully owned by the Group within its Petroleum Division and 23 other subsidiaries (1/1/2017: 66 subsidiaries) as listed in Note 16(a) and 5 associates, joint ventures (1/1/2017: 5 associates, joint ventures) as listed in Note 16(b).

As at 30 June 2017, the Parent Company had 218 employees (1/1/2017: 215 employees).

The Parent Company - Vietnam National Petroleum Group
Notes to the separate interim financial statements for the six-month period ended
30 June 2017 (continued)

Form B 09a – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

2. Basis of preparation

(a) Statement of compliance

These separate interim financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting.

The Parent Company also prepares and issues its consolidated interim financial statements separately. For a comprehensive understanding of the Parent Company's consolidated financial position, its consolidated results of operations and its consolidated cash flows, these separate interim financial statements should be read in conjunction with the consolidated interim financial statements.

(b) Basis of measurement

The separate interim financial statements, except for the separate statement of cash flows, are prepared on the accrual basis using the historical cost concept. The separate statement of cash flows is prepared using the indirect method.

(c) Annual accounting period

The annual accounting period of the Parent Company is from 1 January to 31 December.

(d) Accounting and presentation currency

The Parent Company's accounting currency is Vietnam Dong ("VND"), which is also the currency used for financial statement presentation purpose.

3. Summary of significant accounting policies

The following significant accounting policies have been adopted by the Parent Company in the preparation of these separate interim financial statements.

The accounting policies that have been adopted by the Parent Company in the preparation of these separate interim financial statements are consistent with those adopted in the preparation of the latest separate annual financial statements.

The Parent Company - Vietnam National Petroleum Group
Notes to the separate interim financial statements for the six-month period ended
30 June 2017 (continued)

Form B 09a – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

(a) Foreign currency transactions

Transactions in currencies other than VND during the period have been translated into VND at rates approximating actual rates of exchange ruling at the transaction dates.

Monetary assets and liabilities denominated in currencies other than VND are translated into VND at the exchange rates at the end of the accounting period. The actual rates of exchange applied to retranslate monetary items denominated in foreign currency at the end of the accounting period are determined as follows:

- For monetary assets (cash on hand, cash in banks and receivables): the foreign currency buying rate at the end of the accounting period quoted by Joint Stock Commercial Bank for Foreign Trade of Vietnam.
- For monetary liabilities (payables and borrowings): the foreign currency selling rate at the end of the accounting period quoted by Joint Stock Commercial Bank for Foreign Trade of Vietnam.

All foreign exchange differences are recorded in the separate statement of income.

(b) Cash and cash equivalents

Cash comprises cash balances and call deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

(c) Accounts receivable

Trade and other receivables are stated at cost less allowance for doubtful debts.

Allowance for doubtful debts is made for receivables that are overdue for six months or more, or when the debtor is in dissolution, in bankruptcy, or is experiencing similar difficulties and so may be unable to repay the debt.

(d) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined on a first-in-first-out basis and includes all costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price of inventory items, less the estimated costs of completion and direct selling expenses.

The Parent Company applies the perpetual method of accounting for inventories.

The Parent Company - Vietnam National Petroleum Group
Notes to the separate interim financial statements for the six-month period ended
30 June 2017 (continued)

Form B 09a – DN

*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

According to Decision No. 505/XD-QD-TGD dated 21 September 2012 and Decision No. 568/PLX-QD-TGD dated 22 December 2014 of the Vietnam National Petroleum Group on the petroleum trading mechanism, effective from 1 November 2012, all the petroleum inventories held by the petroleum member companies shall be owned by the Parent Company.

The Parent Company provides allowance for inventories for obsolete, damaged and substandard inventories and for those which have costs higher than net realizable values at the end of the accounting period.

(e) Tangible fixed assets

(i) Cost

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises its purchase price, including import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition for its intended use.

Expenditure incurred after tangible fixed assets have been put into operation, such as repair, maintenance and overhaul cost, is charged to the separate statement of income in the period in which the cost is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of tangible fixed assets beyond their originally assessed standard of performance, the expenditure is capitalized as an additional cost of tangible fixed assets.

(ii) Depreciation

Depreciation of tangible fixed assets is computed on a straight-line basis over the estimated useful lives in accordance with Decision 491/PLX-QD-HDQT dated 7 December 2011 of the Vietnam National Petroleum Group providing guidance on management, use and depreciation of fixed assets, applied to member companies and Circular No. 45/2013/TT-BTC dated 25 April 2013 of the Ministry of Finance providing guidance on management, use and depreciation of fixed assets (“Circular 45”). The estimated useful lives are as follows:

▪ Buildings, structures	10 – 35 years
▪ Machinery and equipment	5 – 15 years
▪ Motor vehicles	8 – 20 years
▪ Office equipment	4 – 6 years
▪ Others	10 years

The Parent Company - Vietnam National Petroleum Group
Notes to the separate interim financial statements for the six-month period ended
30 June 2017 (continued)

Form B 09a – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

(f) Intangible fixed assets

Intangible fixed assets comprise land use rights, software, software licence and other intangible fixed assets.

(i) Land use rights

Land use rights are any costs actually incurred in conjunction with securing the land use rights including costs for land clearance and levelling.

Land use rights comprise:

- Those granted by the State for which land use payments are collected;
- Those acquired in a legitimate transfer; and
- Rights to use leased land obtained before the effective date of the 2003 Land Law for which payments have been made in advance for more than 5 years and supported by land use right certificates issued by competent authority.

Land use rights are stated at cost less accumulated amortization. Definite land use rights are amortized on a straight-line basis over the term of the land use. No amortization is computed for indefinite land use rights by the Parent Company.

(ii) Software and software licence

Software and software licence include any costs incurred until the date that software and software licence are put into use. Software and software licence are amortized on a straight line basis over the estimated useful lives for 10 years.

(g) Investments

(i) Held-to-maturity investments

Held-to-maturity investments are those that the Parent Company's Board of General Directors has the intention and ability to hold until maturity. Held-to-maturity investments include term deposits at bank. These investments are stated at costs less allowance for doubtful debts.

(ii) Investments in subsidiaries, associates and equity instruments of other entities

For the purpose of these separate interim financial statements, investments in subsidiaries, associates, and equity instruments of other entities are initially recognized at cost which includes purchase prices plus any directly attributable transaction costs. Subsequent to initial recognition, these investments are stated at cost less allowance for diminution in value.

The Parent Company - Vietnam National Petroleum Group
Notes to the separate interim financial statements for the six-month period ended
30 June 2017 (continued)

Form B 09a – DN

*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

Investments in subsidiaries

Subsidiaries are entities controlled by the Parent Company. The control over subsidiaries is determined when the Parent Company holds over 50% of the subsidiaries' voting rights. Control is achieved where the Parent Company has the power to govern the financial and operating policies of an investee so as to obtain benefits from its activities.

The Parent Company records in "Investments in subsidiaries" the investments in those companies to which it contributed less than 50% of charter capital but holds controlling power. The Parent Company's Board of General Directors assesses that the Parent Company's controlling power over such investees has been certainly determined and that the recording of such investments is in conformity with the nature of the economic transaction and complies with the current accounting standards and regulations.

One of the Parent Company's subsidiaries operates in the insurance sector is Petrolimex Joint Stock Insurance Company ("PJICO"). The Parent Company's Board of General Directors assessed the effect of prevailing regulations on the activities of contributing capital in insurance sector under Decree No. 91/2015/ND-CP dated 13 October 2015 of the Government on Investment of the State capital in enterprises and Management and Use of capital and assets at enterprises. Accordingly, the Parent Company had a plan for divestment from this subsidiary.

Investments in associates

An associate is an entity in which the Parent Company has significant influence, but which is not a subsidiary of the Parent Company. Significant influence means the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

One of the Parent Company's associates is Petrolimex Group Joint-stock Commercial Bank ("PG Bank") which operates in the banking sector. The Parent Company's Board of General Directors assessed the effect of prevailing regulations on the activities of contributing capital in banking sector under Decree No. 91/2015/ND-CP dated 13 October 2015 of the Government on investment of the State capital in enterprises and Management and Use of capital and assets at enterprises. Accordingly, the Parent Company had a plan for divestment from this associate.

(iii) *Allowances for diminution in the value of long-term financial investments*

An allowance is made for diminution in the value of investments in equity instruments if the investee has suffered a loss, except where such a loss was anticipated by the Parent Company's management before making the investment. The allowance is reversed if the investee subsequently made a profit that offsets the previous loss for which the allowance had been made. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that would have been determined if no allowance had been recognized. Allowance for diminution in the value of long-term financial investments is made in accordance with guidance in Circular No. 89/2013/TT-BTC dated 28 June 2013 on amendments and supplements to Circular No. 228/2009/TT-BTC dated 7 December 2009 of the Ministry of Finance guiding the appropriation and use of allowance for devaluation of inventories, impairment of financial instruments, doubtful debts and warranty for products, goods and construction works at enterprises.

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(h) Long-term prepaid expenses

(i) *Business advantages related to equitization*

Business advantages related to equitization of Vietnam National Petroleum Corporation are determined and recognised in accordance with Decree No. 59/2011/ND-CP dated 18 July 2011 of the Government on conversion of 100% state-owned enterprises into joint stock companies (“Decree 59”) and Circular No. 202/2011/TT-BTC dated 30 December 2011 of the Ministry of Finance guiding the implementation of Decree 59. Accordingly, the value of business advantages to be included in the valuation of an equitized enterprise comprises the value of its trade name and potential for development. The value of trade name is determined based on actual costs incurred for formulation and protection of brand names and trade names during the normal course of business prior to the date of valuation of the enterprise. The potential for development is determined based on the book value of the state-owned capital at the date of valuation multiplied by the difference between the average ratio of net profit after tax to owners’ equity of three years prior to the date of valuation and the interest rate of 5-year term government bonds announced by the Ministry of Finance at the date closest to the date of valuation.

The business advantages determined during evaluation for equitization of Vietnam National Petroleum Corporation amounted to VND542,140,339,196 and have been amortizing to the separate statement of income over 10 years since 1 January 2012.

(ii) *Tools and instruments*

Tools and instruments include assets held for use by the Parent Company in the normal course of business whose costs of individual items are less than VND30 million and therefore not qualified for recognition as fixed assets under Circular 45. Cost of tools and instruments are amortized on a straight-line basis over a period ranging over 3 years.

(i) Trade and other payables

Trade and other payables are stated at their cost.

(j) Provisions

A provision is recognized if, as a result of a past event, the Parent Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by estimates made by the Board of General Directors on necessary expenses to pay for this payable obligation at the end of the accounting period.

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(k) Petroleum price stabilization fund

The appropriation and utilization of petroleum price stabilization fund are made in accordance with Joint Circular No. 39/2014/TTLT-BCT-BTC dated 29 October 2014 of the Ministry of Industry and Trade and the Ministry of Finance on “Method of determination of basic prices and the mechanism for creation, management, and use of the price stabilization fund and regulation of petrol and oil prices as prescribed in Decree No. 83/2014/ND-CP dated 3 September 2014 of the Government on petrol and oil trading” (“Circular 39”). Whereby:

- Petroleum price stabilization fund is appropriated with a specific amount, which is fixed within the basic price of the actually sold petroleum volume and is determined as an expense item in the basic price structure (the rate of appropriation is stipulated by the Ministry of Finance from time to time) and is recognized in Cost of sales in the period corresponding to a long-term liability;
- The utilization of petroleum price stabilization fund is made in accordance with written guidelines issued by the Ministry of Finance from time to time. The utilization depends on the actually sold petroleum volume multiplied by the utilization level per liter as regulated by the Ministry of Finance. Upon utilization for the price stabilization purpose, the utilized amount is recognized as a decrease in Cost of sales during the period;
- Interest gain or loss arising (upon obtaining additional borrowings for the utilized amount exceeding the petroleum price stabilization fund) on the petroleum price stabilization fund account are recognized as an increase or decrease, respectively in the petroleum price stabilization fund account.

(l) Share capital

(i) Ordinary shares

Ordinary shares are stated at par value. Incremental costs directly attributable to the issue of shares, net of tax effects, are recognized as a deduction from share premium.

(ii) Repurchase ordinary shares and reissue of treasury shares

The issued ordinary shares repurchased by the Parent Company are classified as treasury shares under owners' equity. The cost of treasury shares, which is recognized as a reduction from owners' equity, includes purchase prices and any directly attributable costs.

When treasury shares are sold (reissue of treasury shares), the cost of the reissued shares is determined on a weighted average basis. The difference between the treasury selling price and cost is recognised in share premium.

(m) Taxation

Income tax on the profit or loss for the period comprises current and deferred tax. Income tax is recognized in the separate statement of income except to the extent that it relates to items recognized directly to equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted at the end of the accounting period, and any adjustment to tax payable in respect of previous periods.

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Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amounts of assets and liabilities using the tax rates enacted or substantively enacted at the end of the accounting period.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(n) Revenue and other incomes

(i) Goods sold

Revenue from the sale of goods is recognized in the separate statement of income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognized if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods. Revenue on sales of goods is recognized at the net amount after deducting sales discounts stated on the invoice.

The Parent Company's selling price of petroleum products sold to petroleum member companies is the internal price determined by Vietnam National Petroleum Group for each operating period based on the price fluctuations of imported petroleum products.

(ii) Interest income

Interest income is recognized on a time proportion basis with reference to the principal outstanding and the applicable interest rate.

(iii) Dividend income

Dividend income is recognized when the right to receive dividend is established.

(o) Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred, except where the borrowing costs relate to borrowings in respect of the construction of qualifying assets, in which case the borrowing costs incurred during the period of construction are capitalized as part of the cost of the assets concerned.

(p) Related parties

Parties are considered to be related to the Parent Company if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions, or where the Parent Company and the other party are subject to common control or significant influence. Related parties may be individuals or corporate entities and include close family members of any individual considered to be a related party.

Related parties refer to the subsidiaries and associates of the Parent Company.

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4. Seasonality of operations

The Parent Company does not have any operations, the seasonality of which may affect the Parent Company's operating results for the six-month period ended 30 June 2017.

5. Changes in accounting estimates

In preparing the separate annual and interim financial statements, the Board of General Directors has made several accounting estimates. Actual results may differ from these estimates. During the six-month period ended 30 June 2017, the Parent Company has not had any significant changes in accounting estimates as compared to those made in the most recent annual financial statements.

6. Unusual items

The Parent Company does not have any unusual items which may affect the Parent Company's separate interim financial statements for the six-month period ended 30 June 2017.

7. Changes in the composition of the Parent Company

There were no changes in the composition of the Parent Company for the six-month period ended 30 June 2017.

8. Cash and cash equivalents

	30/6/2017 VND	1/1/2017 VND
Cash on hand	314,280,000	514,280,000
Cash in banks	3,314,582,868,594	3,017,521,071,300
In which:		
- <i>Account balance of the price stabilization fund (i)</i>	2,355,626,003,685	1,529,199,064,366
Cash equivalents (ii)	5,106,000,000,000	5,222,000,000,000
	8,420,897,148,594	8,240,035,351,300

(i) According to Circular 39, the account balance of the price stabilization fund is monitored separately in a bank account.

The account balance of the price stabilization fund should be used solely for the price stabilization purpose and should not be used for any other purpose.

(ii) Cash equivalents as at 30 June 2017 represent term deposits at banks with a tenor of less than three months. These deposits earned annual interest rates ranging from 4.9% - 5% (2016: 4.5% - 4.6%).

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9. Held-to-maturity investments

	30/6/2017		1/1/2017	
	Cost VND	Fair value VND	Cost VND	Fair value VND
Term deposits	1,000,000,000,000	1,000,000,000,000	-	-

Held-to-maturity investments represent term deposits at banks with a tenor of 6 months and an interest rate of 5.6% per annum.

10. Accounts receivable from customers

(a) Accounts receivable from customers detailed by significant customers

	30/6/2017 VND	1/1/2017 VND
Petroleum member companies	2,421,855,918,005	3,482,465,777,711
Petrolimex (Lao) Ltd.	391,118,187,646	293,788,041,148
Totsa Total Oil Trading SA	55,200,569,837	98,294,635,121
Lao State Fuel Company (LSFC)	47,979,638,824	56,966,134,462
Sok Kong Import Export Co., Ltd.	27,628,070,580	77,852,705,458
Bright Victory MK Petro I/E Co., Ltd.	-	123,716,412,014
Vientiane Petroleum State Enterprise	-	54,933,181,455
Other customers	-	27,310,866
	<u>2,943,782,384,892</u>	<u>4,188,044,198,235</u>

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(b) Accounts receivable from customers who are related companies

	30/6/2017 VND	1/1/2017 VND
Petrolimex (Lao) Ltd.	391,118,187,646	293,788,041,148
Petrolimex Equipment Joint Stock Company – Ho Chi Minh branch	-	27,310,866
Petroleum member companies	2,421,855,918,005	3,482,465,777,711
<i>Petrolimex Quang Ninh</i>	476,261,596,010	658,031,769,350
<i>Petrolimex Hai Phong One-Member Limited</i>	233,752,864,215	178,684,884,518
<i>Petrolimex Can Tho</i>	184,653,656,894	105,538,139,564
<i>Petrolimex Sai Gon One-Member Limited</i>	184,173,308,435	871,391,018,940
<i>Petrolimex Thanh Hoa</i>	148,326,723,067	157,654,863,872
<i>Petrolimex Ba Ria Vung Tau</i>	122,348,480,847	161,825,111,426
<i>Petrolimex Nam Dinh</i>	92,569,561,827	31,648,347,258
<i>Petrolimex Khanh Hoa</i>	92,465,788,083	82,461,185,756
<i>Petrolimex Ca Mau</i>	87,810,818,175	106,850,347,315
<i>Petrolimex Vinh Long</i>	79,608,810,280	116,786,964,030
<i>Petrolimex Ha Tinh</i>	77,313,397,407	106,013,118,246
<i>Petrolimex Gia Lai</i>	77,180,044,140	101,220,989,735
<i>Petrolimex Tuyen Quang</i>	55,332,700,390	49,025,165,707
<i>Petrolimex Nghe An</i>	48,134,724,907	17,666,293,175
<i>Petrolimex Yen Bai</i>	47,857,671,418	41,958,768,879
<i>Petrolimex Lao Cai</i>	47,416,255,004	40,463,732,022
<i>Petrolimex Bac Thai</i>	45,274,232,992	19,177,366,742
<i>Petrolimex Phu Tho</i>	44,545,807,041	61,450,243,553
<i>Petrolimex Tien Giang</i>	33,772,160,965	21,730,943,295
<i>Petrolimex Da Nang</i>	30,485,491,924	157,238,371,500
<i>Petrolimex Thai Binh</i>	30,153,281,465	3,592,867,418
<i>Petrolimex Dong Nai</i>	24,634,325,100	31,717,632,944
<i>Petrolimex Lai Chau</i>	23,421,691,225	15,923,233,309
<i>Petrolimex Daklak One-Member Limited</i>	22,475,499,209	55,699,712,245
<i>Petrolimex An Giang</i>	21,685,390,401	25,426,459,055
<i>Petrolimex Quang Tri</i>	19,641,172,200	68,195,991,447
<i>Petrolimex Dien Bien</i>	19,516,175,504	27,142,701,799
<i>Petrolimex Ha Son Binh</i>	17,519,984,202	-
<i>Petrolimex Cao Bang</i>	16,944,638,818	28,589,288,883
<i>Petrolimex Tra Vinh</i>	8,596,791,599	12,089,403,720
<i>Petrolimex Long An</i>	7,982,874,261	74,028,689,526
<i>Petrolimex Quang Binh</i>	-	13,619,323,311
<i>Petrolimex Binh Dinh</i>	-	5,330,145,310
<i>Petrolimex Hue</i>	-	15,935,662,316
<i>Petrolimex Ben Tre</i>	-	15,666,946,423
<i>Petrolimex Quang Ngai</i>	-	2,690,095,122
	2,812,974,105,651	3,776,281,129,725

The trade related amounts due from the petroleum member companies were unsecured and bore interest at 6% per annum in cases where the balance of receivable at the end of each month exceeds the limit set by the Group.

The trade related amounts due from other subsidiaries were unsecured, interest free and are due in 30 – 90 days from invoice date.

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11. Other short-term receivables

Other short-term receivables comprised:

	30/6/2017	1/1/2017
	VND	VND
Value added tax on imported goods overpaid (i)	118,469,895,159	132,354,983,230
Receivables from Ministry of Industry and Trade related to preservation fees for P10 products (ii)	11,401,011,532	22,860,442,452
Interest receivable from bank deposits	27,898,426,265	12,947,248,952
Receivables from subsidiaries outside the Petroleum member companies Division	11,249,178,711	12,963,359,757
Advances	2,858,719,286	1,725,747,708
Receivables from dividends and profits	69,997,253,230	-
Others	12,358,524,050	23,504,667,899
	<hr/>	<hr/>
	254,233,008,233	206,356,449,998
	<hr/>	<hr/>

- (i) The amount due from local customs departments relates to overpayments of value added tax on imported goods arising from the difference between the normal import tax incentive and the special import tax incentive under regional trade agreements for some imported petroleum products. The Parent Company paid value added tax for imported goods at the normal incentive rate. After customs clearance, these imported goods were determined to be entitled to the special incentive tax rate; accordingly, the Parent Company will be refunded the value added tax it has overpaid.
- (ii) This represents the amount due from the Ministry of Industry and Trade related to the preservation fees for national reserve goods.

12. Inventories

	30/6/2017		1/1/2017	
	Cost	Allowance	Cost	Allowance
	VND	VND	VND	VND
Goods in transit	1,209,505,121,147	-	1,180,078,410,059	-
Merchandise inventories	7,247,322,741,920	(26,033,619,765)	4,626,104,331,410	-
	<hr/>	<hr/>	<hr/>	<hr/>
	8,456,827,863,067	(26,033,619,765)	5,806,182,741,469	-
	<hr/>	<hr/>	<hr/>	<hr/>

Included in inventories at 30 June 2017 was VND989,852 million (1/1/2017: nil) of merchandise inventories stated at net realizable value.

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13. Other assets - current and non-current

	30/6/2017	1/1/2017
	VND	VND
Other current assets – entrusted investments	23,396,489,826	39,075,710,634
Other non-current assets – entrusted investments	23,135,459,404	27,344,161,865

Entrusted investments represent the amounts that the Parent Company entrusted to PG Bank, to provide loans to the petroleum member companies of the Parent Company to implement their works and projects as designated and approved by the Group. The period of the entrusted investments is equal to the duration of each loan agreement between the Borrower and PG Bank, and the entrustment interest rate is specified for each entrustment. PG Bank enjoys the entrustment fee of 1% which is the difference between the lending rate and the entrustment interest rate.

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14. Tangible fixed assets

	Buildings, structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Others VND	Total VND
Cost						
Opening balance	46,527,318,433	34,708,617,958	18,739,036,363	154,284,430,201	103,200,000	254,362,602,955
Purchases	-	3,128,988,000	-	4,338,295,000	68,000,000	7,535,283,000
Reclassification	-	74,820,000	-	(74,820,000)	-	-
Closing balance	46,527,318,433	37,912,425,958	18,739,036,363	158,547,905,201	171,200,000	261,897,885,955
Accumulated depreciation						
Opening balance	28,236,357,558	8,900,501,380	12,381,247,709	115,362,601,519	103,200,000	164,983,908,166
Charge for the period	730,469,890	3,338,308,077	517,324,675	7,592,062,310	4,545,753	12,182,710,705
Closing balance	28,966,827,448	12,238,809,457	12,898,572,384	122,954,663,829	107,745,753	177,166,618,871
Net book value						
Opening balance	18,290,960,875	25,808,116,578	6,357,788,654	38,921,828,682	-	89,378,694,789
Closing balance	17,560,490,985	25,673,616,501	5,840,463,979	35,593,241,372	63,454,247	84,731,267,084

Included in tangible fixed assets were assets costing VND113,073 million which were fully depreciated as of 30 June 2017 (1/1/2017: VND102,641 million), but which are still in active use.

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15. Intangible fixed assets

	Land use rights VND	Software VND	Software license VND	Others VND	Total VND
Cost					
Opening balance	216,496,103,958	279,515,715,257	5,860,531,000	3,555,000,000	505,427,350,215
Purchases	-	3,159,180,000	-	-	3,159,180,000
Closing balance	216,496,103,958	282,674,895,257	5,860,531,000	3,555,000,000	508,586,530,215
Accumulated amortization					
Opening balance	10,611,610,557	199,152,111,297	1,577,293,964	2,814,661,509	214,155,677,327
Charge for the period	1,966,989,415	22,204,527,344	290,618,113	176,317,456	24,638,452,328
Closing balance	12,578,599,972	221,356,638,641	1,867,912,077	2,990,978,965	238,794,129,655
Net book value					
Opening balance	205,884,493,401	80,363,603,960	4,283,237,036	740,338,491	291,271,672,888
Closing balance	203,917,503,986	61,318,256,616	3,992,618,923	564,021,035	269,792,400,560

Included in intangible fixed assets were assets costing VND22,317 million which were fully amortized as of 30 June 2017 (1/1/2017: VND21,962 million), but which are still in use.

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16. Long-term financial investments

(a) Equity investments in subsidiaries

No	Name of Subsidiary	Address	% of equity owned	% of voting rights	30/6/2017			% of equity owned	% of voting rights	1/1/2017		
					Cost VND	Allowance VND	Fair value VND			Cost VND	Allowance VND	Fair value VND
1	Petrolimex Tanker Corporation	Hanoi	100.00%	100.00%	2,196,550,463,185	-	(*)	100.00%	100.00%	2,196,550,463,185	-	(*)
2	Van Phong Bonded Petroleum Terminal JV Co., Ltd.	Khanh Hoa	85.00%	85.00%	629,755,076,565	(194,136,718,065)	(*)	85.00%	85.00%	629,755,076,565	(254,024,851,301)	(*)
3	Petrolimex Petrochemical Corporation - JSC	Hanoi	79.07%	79.07%	570,562,500,000	-	1,782,437,128,670	79.07%	79.07%	570,562,500,000	-	1,692,995,839,059
4	Petrolimex Insurance Corporation (i)	Hanoi	51.19%	51.19%	361,849,067,685	-	744,799,894,981	51.19%	51.19%	361,849,067,685	-	759,332,575,859
5	Petrolimex Gas Corporation - JSC	Hanoi	52.37%	52.37%	306,662,738,200	-	442,395,569,763	52.37%	52.37%	306,662,738,200	-	407,635,917,853
6	Petrolimex Singapore Pte., Ltd.	Singapore	100.00%	100.00%	287,897,418,502	(278,507,859,634)	(*)	100.00%	100.00%	287,897,418,502	(278,507,859,634)	(*)
7	Petroleum Logistic Service and Investment JSC	Hanoi	51.00%	51.00%	56,576,383,673	(9,188,924,701)	(*)	51.00%	51.00%	56,576,383,673	(8,455,222,581)	(*)
8	Petrolimex Aviation Fuel JSC	Hanoi	59.00%	59.00%	88,500,000,000	-	(*)	59.00%	59.00%	88,500,000,000	-	(*)
9	Petrolimex International Trading JSC	Ho Chi Minh City	52.67%	52.67%	82,753,110,000	(14,825,126,034)	(**)	52.67%	52.67%	82,753,110,000	(7,314,839,430)	62,426,901,777
10	Petrolimex (Lao) Ltd.	Laos	100.00%	100.00%	68,162,068,617	-	(*)	100.00%	100.00%	68,162,068,617	-	(*)
11	Petrolimex Sai Gon Transportation and Service JSC	Ho Chi Minh City	52.73%	52.73%	53,722,150,000	-	55,050,120,000	52.73%	52.73%	53,722,150,000	-	63,782,208,000
12	Petroleum Mechanical Joint Stock Company (ii)	Ho Chi Minh City	46.00%	46.00%	47,517,612,315	-	(*)	46.00%	46.00%	47,517,612,315	-	(*)
13	PTN Chemicals Company Limited	Hai Phong City	60.00%	60.00%	46,826,010,000	-	(*)	60.00%	60.00%	46,826,010,000	-	(*)
14	Petrolimex Hanoi Transportation and Trading JSC	Hanoi	51.00%	51.00%	24,902,280,000	-	50,083,560,473	51.00%	51.00%	24,902,280,000	-	31,925,775,600
15	Petrolimex Construction Joint Stock Company I (ii)	Hanoi	30.00%	30.00%	31,296,333,148	-	(*)	30.00%	30.00%	22,295,363,148	-	(*)
16	Petrolimex Construction Joint Stock Company III (ii)	Ho Chi Minh City	30.00%	30.00%	19,722,009,190	-	(**)	30.00%	30.00%	19,722,009,190	-	11,850,000,000
17	Petrolimex Nghe Tinh Transportation and Service JSC.	Nghe An	51.00%	51.00%	19,987,014,976	-	(*)	51.00%	51.00%	14,122,014,976	-	(*)
18	Petrolimex Equipment Joint Stock Company	Hanoi	50.48%	50.48%	15,554,168,240	-	(*)	50.48%	50.48%	15,554,168,240	-	(*)
19	Petrolimex Information Technology and Telecommunication JSC	Hanoi	50.33%	50.33%	11,435,592,821	-	(*)	50.33%	50.33%	11,435,592,821	-	(*)
20	Petrolimex Ha Tay Transportation and Service JSC	Hanoi	51.00%	51.00%	11,235,416,616	-	(**)	51.00%	51.00%	11,235,416,616	-	7,017,600,000
21	Petrolimex Da Nang Transportation and Service JSC	Da Nang	51.00%	51.00%	9,389,713,748	-	(*)	51.00%	51.00%	9,389,713,748	-	(*)
22	Petrolimex Thua Thien Hue Transportation and Service JSC	Hue	51.00%	51.00%	7,203,019,611	-	(*)	51.00%	51.00%	7,203,019,611	-	(*)
23	Petrolimex Engineering Joint Stock Company	Hanoi	51.00%	51.00%	6,841,650,000	-	(*)	51.00%	51.00%	6,841,650,000	-	(*)

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No	Name of Subsidiary	Address	% of equity owned	% of voting rights	30/6/2017			% of equity owned	% of voting rights	1/1/2017		
					Cost VND	Allowance VND	Fair value VND			Cost VND	Allowance VND	Fair value VND
Petroleum member companies												
24	Petrolimex Quang Ninh One-Member Limited	Quang Ninh	100.00%	100.00%	865,700,000,000	-	(*)	100.00%	100.00%	692,000,000,000	-	(*)
25	Petrolimex Saigon One-Member Limited	Ho Chi Minh City	100.00%	100.00%	812,200,000,000	-	(*)	100.00%	100.00%	570,000,000,000	-	(*)
26	Petrolimex Hanoi One-Member Limited	Hanoi	100.00%	100.00%	272,600,000,000	-	(*)	100.00%	100.00%	269,000,000,000	-	(*)
27	Petrolimex Da Nang	Da Nang	100.00%	100.00%	298,400,000,000	-	(*)	100.00%	100.00%	194,000,000,000	-	(*)
28	Petrolimex Can Tho	Can Tho	100.00%	100.00%	168,100,000,000	-	(*)	100.00%	100.00%	132,300,000,000	-	(*)
29	Petrolimex Ba Ria Vung Tau	Ba Ria Vung Tau	100.00%	100.00%	167,800,000,000	-	(*)	100.00%	100.00%	121,000,000,000	-	(*)
30	Petrolimex Nghe An	Nghe An	100.00%	100.00%	131,100,000,000	-	(*)	100.00%	100.00%	104,500,000,000	-	(*)
31	Petrolimex Nam Dinh	Nam Dinh	100.00%	100.00%	105,600,000,000	-	(*)	100.00%	100.00%	95,000,000,000	-	(*)
32	Petrolimex Khanh Hoa	Khanh Hoa	100.00%	100.00%	107,000,000,000	-	(*)	100.00%	100.00%	89,000,000,000	-	(*)
33	Petrolimex Ha Son Binh	Hanoi	100.00%	100.00%	108,500,000,000	-	(*)	100.00%	100.00%	78,000,000,000	-	(*)
34	Petrolimex Hai Phong One-Member Limited	Hai Phong	100.00%	100.00%	111,300,000,000	-	(*)	100.00%	100.00%	76,000,000,000	-	(*)
35	Petrolimex Vinh Long	Vinh Long	100.00%	100.00%	123,000,000,000	-	(*)	100.00%	100.00%	76,000,000,000	-	(*)
36	Petrolimex Gia Lai	Gia Lai	100.00%	100.00%	113,800,000,000	-	(*)	100.00%	100.00%	69,500,000,000	-	(*)
37	Petrolimex Binh Dinh	Binh Dinh	100.00%	100.00%	87,600,000,000	-	(*)	100.00%	100.00%	68,500,000,000	-	(*)
38	Petrolimex Thanh Hoa	Thanh Hoa	100.00%	100.00%	125,300,000,000	-	(*)	100.00%	100.00%	61,000,000,000	-	(*)
39	Petrolimex Daklak One-Member Limited	Dak Lak	100.00%	100.00%	74,000,000,000	-	(*)	100.00%	100.00%	60,000,000,000	-	(*)
40	Petrolimex Long An	Long An	100.00%	100.00%	105,200,000,000	-	(*)	100.00%	100.00%	57,000,000,000	-	(*)
41	Petrolimex Ca Mau	Ca Mau	100.00%	100.00%	98,800,000,000	-	(*)	100.00%	100.00%	51,000,000,000	-	(*)
42	Petrolimex Tien Giang	Tien Giang	100.00%	100.00%	60,400,000,000	-	(*)	100.00%	100.00%	49,500,000,000	-	(*)
43	Petrolimex Dong Nai	Dong Nai	100.00%	100.00%	47,700,000,000	-	(*)	100.00%	100.00%	47,700,000,000	-	(*)
44	Petrolimex Bac Thai	Thai Nguyen	100.00%	100.00%	69,300,000,000	-	(*)	100.00%	100.00%	46,000,000,000	-	(*)
45	Petrolimex Hue	Hue	100.00%	100.00%	66,000,000,000	-	(*)	100.00%	100.00%	45,000,000,000	-	(*)
46	Petrolimex Tay Ninh	Tay Ninh	100.00%	100.00%	45,600,000,000	-	(*)	100.00%	100.00%	45,000,000,000	-	(*)
47	Petrolimex Lao Cai	Lao Cai	100.00%	100.00%	44,000,000,000	-	(*)	100.00%	100.00%	44,000,000,000	-	(*)
48	Petrolimex Phu Tho	Phu Tho	100.00%	100.00%	71,100,000,000	-	(*)	100.00%	100.00%	40,500,000,000	-	(*)
49	Petrolimex Song Be	Binh Duong	100.00%	100.00%	38,900,000,000	-	(*)	100.00%	100.00%	38,900,000,000	-	(*)
50	Petrolimex Lam Dong	Lam Dong	100.00%	100.00%	40,900,000,000	-	(*)	100.00%	100.00%	38,800,000,000	-	(*)
51	Petrolimex Ha Tinh	Ha Tinh	100.00%	100.00%	79,900,000,000	-	(*)	100.00%	100.00%	38,000,000,000	-	(*)
52	Petrolimex Ben Tre	Ben Tre	100.00%	100.00%	44,000,000,000	-	(*)	100.00%	100.00%	37,700,000,000	-	(*)
53	Petrolimex Ha Bac	Bac Giang	100.00%	100.00%	42,300,000,000	-	(*)	100.00%	100.00%	37,000,000,000	-	(*)
54	Petrolimex An Giang	An Giang	100.00%	100.00%	43,900,000,000	-	(*)	100.00%	100.00%	35,000,000,000	-	(*)
55	Petrolimex Quang Tri	Quang Tri	100.00%	100.00%	57,000,000,000	-	(*)	100.00%	100.00%	34,000,000,000	-	(*)
56	Petrolimex Quang Binh	Quang Binh	100.00%	100.00%	57,000,000,000	-	(*)	100.00%	100.00%	31,000,000,000	-	(*)

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No	Name of Subsidiary	Address	% of equity owned	% of voting rights	30/6/2017			% of equity owned	% of voting rights	1/1/2017			
					Cost VND	Allowance VND	Fair value VND			Cost VND	Allowance VND	Fair value VND	
57	Petrolimex Dong Thap	Dong Thap	100.00%	100.00%	30,000,000,000	-	(*)	100.00%	100.00%	30,000,000,000	-	(*)	
58	Petrolimex Dien Bien	Dien Bien	100.00%	100.00%	38,600,000,000	-	(*)	100.00%	100.00%	28,000,000,000	-	(*)	
59	Petrolimex Tra Vinh	Tra Vinh	100.00%	100.00%	31,100,000,000	-	(*)	100.00%	100.00%	25,000,000,000	-	(*)	
60	Petrolimex Ha Giang	Ha Giang	100.00%	100.00%	20,500,000,000	-	(*)	100.00%	100.00%	20,500,000,000	-	(*)	
61	Petrolimex Yen Bai	Yen Bai	100.00%	100.00%	24,900,000,000	-	(*)	100.00%	100.00%	16,000,000,000	-	(*)	
62	Petrolimex Cao Bang	Cao Bang	100.00%	100.00%	33,500,000,000	-	(*)	100.00%	100.00%	16,000,000,000	-	(*)	
63	Petrolimex Tuyen Quang	Tuyen Quang	100.00%	100.00%	48,000,000,000	-	(*)	100.00%	100.00%	16,000,000,000	-	(*)	
64	Petrolimex Quang Ngai	Quang Ngai	100.00%	100.00%	32,100,000,000	-	(*)	100.00%	100.00%	15,400,000,000	-	(*)	
65	Petrolimex Thai Binh	Thai Binh	100.00%	100.00%	21,000,000,000	-	(*)	100.00%	100.00%	13,000,000,000	-	(*)	
66	Petrolimex Lai Chau	Lai Chau	100.00%	100.00%	22,000,000,000	-	(*)	100.00%	100.00%	15,000,000,000	-	(*)	
					9,940,601,797.092	(496,658,628,434)	(*)				8,606,835,827.092	(548,302,772,946)	(*)

- (i) As described in Note 3(g)(ii), the Parent Company had a plan for divestment from PJICO. On 28 July 2017, PJICO completed the private placement of shares to a foreign investor, which consequently decreased the ownership ratio of the Parent Company to 41 %. The Parent Company's management would continue to decrease the state capital ratio in PJICO in accordance with current regulations.
- (ii) These are the companies that the Parent Company holds less than 50% of charter capital but holds the controlling power as it has the majority of members in their Board of Management, and thus are considered as subsidiaries of the Parent Company.
- (**) These are the companies whose shares are listed on stock exchanges. However, the Parent Company has not determined fair values of these investments for disclosure in the separate interim financial statements because fair value of these investments are not able to determine reliably due to limited number of shares traded on the stock exchanges and there is currently no guidance on determination of fair value using valuation techniques under the Vietnamese Accounting Standards or the Vietnamese Accounting System for enterprises. The fair values of these investments may differ from their carrying amounts.

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(b) Equity investments in associates, joint-ventures

No.	Name	Address	% of equity owned	% of voting rights	30/6/2017			% of equity owned	% of voting rights	1/1/2017			
					Cost VND	Allowance VND	Fair value VND			Cost VND	Allowance VND	Fair value VND	
Joint ventures													
1	Castrol BP PETCO Vietnam Company Limited	Ho Chi Minh City	35.00%	35.00%	169,426,717,325	-	(*)	35.00%	35.00%	169,426,717,325	-	(*)	
Associates													
1	Petrolimex Group Commercial Joint Stock Bank (i)	Hanoi	40.00%	40.00%	1,077,957,925,515	-	(*)	40.00%	40.00%	1,077,957,925,515	-	(*)	
2	Vietnam Expressway Services JSC	Hanoi	22.38%	22.38%	20,000,000,000	-	(*)	22.38%	22.38%	20,000,000,000	-	(*)	
3	Dong Nai Petroleum Material and Fuel Joint Stock Company	Dong Nai	21.32%	21.32%	2,582,100,000	-	(*)	21.32%	21.32%	2,582,100,000	-	(*)	
4	Tuyen Quang Trading Joint Stock Company	Tuyen Quang	33.19%	33.19%	891,808,000	-	(*)	33.19%	33.19%	891,808,000	-	(*)	
					1,270,858,550,840	-	(*)				1,270,858,550,840	-	(*)

(i) As described in Note 3(g)(ii), the Parent Company had a plan for divestment from Petrolimex Group Commercial Joint Stock Bank.

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(c) Equity investments in other entities

No.	Name	Address	Cost VND	30/6/2017 Allowance VND	Fair value VND	Cost VND	1/1/2017 Allowance VND	Fair value VND
1	Military Petrochemical JSC	Hanoi	50,000,000,000	-	(*)	50,000,000,000	-	(*)
2	Vietnam Export Import Commercial Joint Stock Bank (Eximbank)	Ho Chi Minh City	49,913,937,200	-	31,876,490,923	49,913,937,200	-	22,239,412,272
3	Van Phong Investment and Development Joint Stock Corporation	Khanh Hoa	3,801,690,000	-	(*)	3,801,690,000	-	(*)
4	Petrolimex Binh Thuan	Binh Thuan	1,697,125,000	-	(*)	1,697,125,000	-	(*)
5	Vietnam Export Import Service & Investment Joint Stock Company (VICOSIMEX)	Da Nang	500,000,000	-	(*)	500,000,000	-	(*)
			105,912,752,200	-	(*)	105,912,752,200	-	(*)

(*) The Parent Company has not determined fair values of these investments for disclosure in the separate interim financial statements because information about their market prices is not available and there is currently no guidance on determination of fair value using valuation techniques under Vietnamese Accounting Standards or the Vietnamese Accounting System for enterprises. The fair values of these investments may differ from their carrying amounts.

(d) Allowance for diminution in the value of long-term investments

Movements in the allowance for diminution in the value of investments during the period were as follows:

	Six-month period ended	
	30/6/2017 VND	30/6/2016 VND
Opening balance	548,302,772,946	663,366,340,096
Reversal of allowance during the period	(51,644,144,512)	(73,339,675,802)
Closing balance	496,658,628,434	590,026,664,294

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Notes to the separate interim financial statements for the six-month period ended
30 June 2017 (continued)

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17. Prepaid expenses

(a) Short-term prepaid expenses

	30/6/2017	1/1/2017
	VND	VND
Inventories related expenses	75,404,619,417	35,929,762,958
Insurance expenses and software related expenses	47,828,968,571	49,599,354,489
Tools and supplies issued for use	151,005,426	272,738,461
	<hr/>	<hr/>
	123,384,593,414	85,801,855,908
	<hr/> <hr/>	<hr/> <hr/>

(b) Long-term prepaid expenses

	Business advantage	Others	Total
	related to	VND	VND
	equitization	VND	VND
	VND	VND	VND
Opening balance	271,070,169,597	1,536,965,389	272,607,134,986
Additions	-	3,887,416,000	3,887,416,000
Amortization for the period	(27,107,016,960)	(1,645,338,705)	(28,752,355,665)
	<hr/>	<hr/>	<hr/>
Closing balance	243,963,152,637	3,779,042,684	247,742,195,321
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The Parent Company - Vietnam National Petroleum Group
Notes to the separate interim financial statements for the six-month period ended
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18. Accounts payable to suppliers

(a) Accounts payable to suppliers detailed by significant suppliers

	Cost and amount within payment capacity	
	30/6/2017 VND	1/1/2017 VND
Wanxiang Resources (Singapore) Pte. Binh Son Refining and Petrochemical Company Limited	1,140,014,171,984	-
Petrolimex Singapore Pte., Ltd.	1,045,803,648,728	3,169,612,995,616
Lukoil Asia Pacific Pte Ltd	594,917,986,493	633,392,579,596
Elico Oil Pte Ltd.	935,748,778,302	693,545,785,710
Other suppliers	840,017,680,078	-
	2,802,903,355,163	3,812,061,828,750
	<hr/>	<hr/>
	7,359,405,620,748	8,308,613,189,672

(b) Accounts payable to suppliers who are related parties

	Cost and amount within payment capacity	
	30/6/2017 VND	1/1/2017 VND
Petrolimex Singapore Pte., Ltd.	594,917,986,493	633,392,579,596
Petrolimex Tanker Corporation	61,736,911,872	84,069,882,551
Van Phong Bonded Petroleum Terminal JV Co., Ltd.	-	15,664,782,489
Petrolimex Joint Stock Tanker Company	32,308,995,524	13,659,529,710
Petrolimex Insurance Corporation	10,217,800,127	10,583,351,263
Petrolimex Group Commercial Joint Stock Bank	-	8,698,485,992
Petrolimex Information Technology and Telecommunication JSC	11,182,091	7,601,891,979
Petrolimex Hai Phong Transportation and Service JSC	3,996,616,344	7,338,120,665
Vitaco Saigon Company Limited	4,263,990,100	2,753,274,690
Vietnam Tanker Joint Stock Company	11,447,422,660	-
	<hr/>	<hr/>
	718,900,905,211	783,761,898,935

The trade related amounts due to related companies were unsecured, interest free and are payable within 90 days from invoice date.

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19. Advances from customers

Advances from customers represent advances from the following companies:

	30/6/2017	1/1/2017
	VND	VND
Related companies		
Petrolimex Hanoi One-Member Limited	122,889,169,310	41,382,953,606
Petrolimex Lam Dong	43,447,142,479	12,249,208,810
Petrolimex Song Be	38,358,244,597	22,243,852,170
Petrolimex Binh Dinh	23,729,503,465	-
Petrolimex Tay Ninh	20,573,222,866	122,112,441
Petrolimex Dong Thap	18,812,225,648	12,092,891,504
Petrolimex Hue	18,508,817,101	-
Petrolimex Ha Giang	16,583,549,828	17,648,331,438
Petrolimex Ha Bac	13,064,652,259	1,823,637,671
Petrolimex Quang Ngai	8,957,555,648	-
Petrolimex Quang Binh	7,108,996,146	-
Petrolimex Ben Tre	5,173,239,899	-
Petrolimex Ha Son Binh	-	34,382,982,701
Other subsidiaries	109,220,201	-
Third parties	51,729,648	51,729,648
	<hr/> 337,367,269,095	<hr/> 141,997,699,989 <hr/>

20. Taxes and others receivable from and payable to State Treasury

	30/6/2017	1/1/2017
	VND	VND
Taxes and others receivable from State Treasury	1,058,609,704,703	2,098,902,252,217
Taxes and others payable to State Treasury	(76,485,906,477)	(246,265,361,007)
	<hr/> 982,123,798,226	<hr/> 1,852,636,891,210 <hr/>

The Parent Company - Vietnam National Petroleum Group

Notes to the separate interim financial statements for the six-month period ended 30 June 2017 (continued)

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Movements in taxes and others receivable from and payable to State Treasury during the period were as follows:

	1/1/2017 VND	Incurred VND	Paid/deducted/refunded VND	30/6/2017 VND
Output value added tax	2,970,262,555	(4,370,005,032)	4,515,024,301	3,115,281,824
Special consumption tax on imported goods	343,766,708,229	(1,155,274,467,911)	860,553,269,719	49,045,510,037
Special consumption tax on domestic sales	(1,518,778,712)	(38,454,600,247)	36,274,392,240	(3,698,986,719)
Import-export tax	1,431,079,680,863	(977,836,694,921)	518,998,571,076	972,241,557,018
Value added tax – imported goods	321,085,600,570	(3,001,300,020,217)	2,607,478,297,752	(72,736,121,895)
Corporate income tax	(244,250,089,392)	(75,792,644,176)	354,250,089,392	34,207,355,824
Personal income tax	(496,492,903)	(6,730,791,147)	7,176,486,187	(50,797,863)
Other tax and fees	-	(1,346,678,172)	1,346,678,172	-
	<u>1,852,636,891,210</u>	<u>(5,261,105,901,823)</u>	<u>4,390,592,808,839</u>	<u>982,123,798,226</u>
<i>In which:</i>				
Taxes and others receivable from State Treasury	2,098,902,252,217			1,058,609,704,703
Taxes and others payable to State Treasury	(246,265,361,007)			(76,485,906,477)
	<u>1,852,636,891,210</u>			<u>982,123,798,226</u>

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Notes to the separate interim financial statements for the six-month period ended
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21. Other payables – short-term

Other payables – short-term comprised:

	30/6/2017	1/1/2017
	VND	VND
Payables to subsidiaries relating to financial restructuring (i)	277,748,469,766	278,604,208,889
Trade union fees	555,806,554	933,725,560
Others	1,865,582,854	7,668,665,642
	280,169,859,174	287,206,600,091

- (i) Based on the Official Letter No. 11770/BTC-TC DN dated 23 August 2016 of the Ministry of Finance to the Ministry of Industry and Trade, Official Letter No. 12465/BCT-TC dated 23 December 2016 of the Ministry of Industry and Trade and Resolution No. 64/PLX-NQ-HDQT dated 30 December 2016 of the Group’s Board of Management, the Parent Company used part of the share premium incurred during the share issuance to strategic investors for financial restructuring of Petrolimex Singapore Pte Ltd. (“PLS”) with an amount of USD70,980,622 (equivalent to VND1,612,679,731,840). The Parent Company offset this amount against with a receivable from PLS amounting to USD58,755,777 (equivalent to VND1,334,931,262,074) as at 31 December 2016, the remaining amount was recognised as a payable to PLS.

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22. Short-term borrowings

	1/1/2017	Movement during the period			Unrealised exchange differences VND	30/6/2017
	Carrying amount and amount within repayment capacity VND	Additions VND	Decreases VND	Realised exchange differences VND		Carrying amount and amount within repayment capacity VND
Short-term borrowings	2,163,717,065,494	22,593,139,191,594	(21,269,793,917,253)	3,740,013,026	2,035,671,315	3,492,838,024,176

The Parent Company - Vietnam National Petroleum Group
Notes to the separate interim financial statements for the six-month period ended
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Terms and conditions of outstanding short-term borrowings were as follows:

	Currency	30/6/2017 VND	1/1/2017 VND
Vietnam Joint Stock Commercial Bank for Industry and Trade	VND	2,066,566,667,923	1,002,653,239,460
	USD	-	312,475,969,000
Vietnam International Commercial Joint Stock Standard Chartered Bank (Vietnam)	USD	-	259,988,320,000
	VND	-	190,064,291,622
HSBC (Vietnam)	VND	34,000,000,000	187,402,009,496
	USD	-	19,299,842,998
Joint Stock Commercial Bank for Foreign Trade of Vietnam	VND	-	40,000,000,000
	USD	-	113,950,000,000
BNP Paribas Bank	VND	218,300,000,000	37,883,392,918
Vietnam Export Import Commercial Joint Stock Bank	USD	303,692,788,813	-
Citibank Vietnam	VND	150,000,000,000	-
Military Joint Stock Commercial Bank	USD	561,280,500,000	-
Joint Stock Commercial Bank for Investment and Development of Vietnam	VND	158,998,067,440	-
		<hr/>	<hr/>
		3,492,838,024,176	2,163,717,065,494
		<hr/>	<hr/>

All the loans of the Parent Company with terms of less than 3 months which are unsecured loans for the purposes of supplementing working capital and opening letters of credit (L/C) for petroleum import. As at 30 June 2017, the interest rates for the VND loans ranged from 3.6% to 4.5% (2016: 3.05% - 4%) per annum, and for the USD ones from 1.6% - 1.7% (1/1/2017: 1.1% - 1.2%) per annum.

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23. Petroleum price stabilization fund

	Six-month period ended	
	30/6/2017	30/6/2016
	VND	VND
Opening balance	1,830,978,066,020	2,377,393,168,988
Increases	1,178,641,319,295	1,220,486,793,563
Decreases	(462,611,137,358)	(2,178,878,946,902)
Interest income from the deposit account	5,227,094,864	5,929,724,900
	<hr/>	<hr/>
Closing balance	2,552,235,342,821	1,424,930,740,549
	<hr/>	<hr/>
In which:		
- <i>Account balance of Petroleum price stabilization fund at bank (Note 8)</i>	2,355,626,003,685	1,685,707,397,559
- <i>Amount transferred to/(withdrawn from) the account of Petroleum price stabilization fund after balance sheet date</i>	196,609,339,136	(260,776,657,010)
	<hr/>	<hr/>
Closing balance	2,552,235,342,821	1,424,930,740,549
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The Parent Company - Vietnam National Petroleum Group

Notes to the separate interim financial statements for the six-month period ended 30 June 2017 (continued)

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24. Changes in owners' equity

	Share capital VND	Share premium VND	Treasury shares VND	Investment and development fund VND	Retained profits VND	Total VND
Balance at 1 January 2016	10,700,000,000,000	164,462,417	-	(244,570,817)	1,691,193,456,227	12,391,113,347,827
Shares issued	1,035,284,760,000	3,004,085,788,092	-	-	-	4,039,370,548,092
Adjustment to decrease the deficit amount of capital contribution by the State	(347,152,410,000)	-	-	-	-	(347,152,410,000)
Net profit for the period	-	-	-	-	1,011,224,979,416	1,011,224,979,416
Appropriation to equity funds	-	-	-	3,506,080,452	(3,506,080,452)	-
Appropriation to bonus and welfare fund	-	-	-	-	(44,000,000,000)	(44,000,000,000)
Balance at 30 June 2016	11,388,132,350,000	3,004,250,250,509	-	3,261,509,635	2,654,912,355,191	17,050,556,465,335
Balance at 1 January 2017	12,938,780,810,000	1,390,950,518,669	(1,550,648,460,000)	3,261,509,635	5,068,559,588,932	17,850,903,967,236
Treasury shares sold during the period (Note 25)	-	811,067,745,500	200,000,000,000	-	-	1,011,067,745,500
Expenses directly attributable to re-issuance of treasury shares	-	(1,520,309,589)	-	-	-	(1,520,309,589)
Net profit for the period	-	-	-	-	966,184,960,431	966,184,960,431
Balance at 30 June 2017	12,938,780,810,000	2,200,497,954,580	(1,350,648,460,000)	3,261,509,635	6,034,744,549,363	19,826,636,363,578

The Parent Company - Vietnam National Petroleum Group
Notes to the separate interim financial statements for the six-month period ended
30 June 2017 (continued)

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25. Share capital

The Company's authorized and issued share capital are:

	30/6/2017		1/1/2017	
	Number of shares	VND	Number of shares	VND
Authorized share capital	1,293,878,081	12,938,780,810,000	1,293,878,081	12,938,780,810,000
Shares in circulation	1,158,813,235	11,588,132,350,000	1,138,813,235	11,388,132,350,000
The State	981,686,626	9,816,866,260,000	981,686,626	9,816,866,260,000
Other shareholders	177,126,609	1,771,266,090,000	157,126,609	1,571,266,090,000
Treasury shares	135,064,846	1,350,648,460,000	155,064,846	1,550,648,460,000

All ordinary shares have a par value of VND10,000. Each share is entitled to one vote at meetings of the Parent Company. Shareholders are entitled to receive dividend as declared from time to time. All ordinary shares are ranked equally with regard to the Parent Company's residual assets. In respect of shares bought back by the Parent Company, all rights are suspended until those shares are reissued.

Movements in share capital in circulation during the period were as follows:

	Six-month period ended			
	30/6/2017		30/6/2016	
	Number of shares	VND	Number of shares	VND
Opening balance	1,138,813,235	11,388,132,350,000	1,035,284,759	10,352,847,590,000
Shares issued during the period	-	-	103,528,476	1,035,284,760,000
Treasury shares sold during the period	20,000,000	200,000,000,000	-	-
Closing balance	1,158,813,235	11,588,132,350,000	1,138,813,235	11,388,132,350,000

26. Investment and development fund

Investment and development fund was established for the purpose of future business expansion. When the funds are utilised for business expansion, the amount utilised is transferred to Share capital.

The Parent Company - Vietnam National Petroleum Group
Notes to the separate interim financial statements for the six-month period ended
30 June 2017 (continued)

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27. Off balance sheet items

(a) Goods held for third parties

	Unit	30/6/2017	1/1/2017
Gasoline RON 92	Liter 15	75,921,651	76,346,178
Diesel 0.05S	Liter 15	139,350,497	139,440,815
Mazut	Kg	39,773,624	39,780,782

(b) Foreign currencies

	30/6/2017		1/1/2017	
	Original currency	VND equivalent	Original currency	VND equivalent
USD	2,772,407	62,759,328,013	2,440,079	55,438,115,486

28. Revenue from sales of goods and provision of services

Total revenue represents the gross value of goods sold and services rendered exclusive of value added tax as follows:

	Six-month period ended	
	30/6/2017 VND	30/6/2016 VND
Petroleum trading	50,109,687,847,563	38,182,569,443,234
Other trading activities	20,161,408,140	10,878,591,508
Services rendered	142,282,000	142,282,000
	50,129,991,537,703	38,193,590,316,742

The Parent Company - Vietnam National Petroleum Group
Notes to the separate interim financial statements for the six-month period ended
30 June 2017 (continued)

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29. Cost of sales

	Six-month period ended	
	30/6/2017	30/6/2016
	VND	VND
Petroleum trading	48,406,453,473,799	37,860,964,181,976
Other trading activities	20,161,466,031	10,878,591,325
Petroleum price stabilization fund	716,030,181,937	(958,406,386,539)
Allowance for diminution in the value of inventories	26,033,619,765	(24,801,279,958)
Loss of inventories and other related expenses	85,424,236,912	64,772,866,447
	<hr/>	<hr/>
	49,254,102,978,444	36,953,407,973,251
	<hr/>	<hr/>

30. Financial income

	Six-month period ended	
	30/6/2017	30/6/2016
	VND	VND
Dividends, distributed profits	663,014,383,730	392,251,431,696
Interest income from deposits	142,208,845,885	106,554,473,922
Realized foreign exchange gains	101,954,853,022	124,580,931,861
Interest from credit sales	7,311,626,660	8,671,666,707
Other financial income	2,309,458,036	4,552,233,120
Unrealized foreign exchange gains	-	40,165,286,376
	<hr/>	<hr/>
	916,799,167,333	676,776,023,682
	<hr/>	<hr/>

31. Financial expenses

	Six-month period ended	
	30/6/2017	30/6/2016
	VND	VND
Interest expense	62,805,028,916	109,302,871,871
Realized foreign exchange losses	69,774,004,297	22,657,841,098
Allowance for financial investments	(51,644,144,512)	(73,339,675,802)
Payment discounts	23,520,785,445	55,686,626,590
Unrealized foreign exchange losses	7,243,975,298	-
Other expenses	1,325,314,919	702,728,504
	<hr/>	<hr/>
	113,024,964,363	115,010,392,261
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The Parent Company - Vietnam National Petroleum Group
Notes to the separate interim financial statements for the six-month period ended
30 June 2017 (continued)

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32. Selling expenses and general and administration expenses

	Six-month period ended	
	30/6/2017	30/6/2016
	VND	VND
Staff costs	49,218,215,280	39,458,487,094
Depreciation and amortisation	36,821,163,033	34,267,250,325
Amortisation of business advantages	27,107,016,960	27,107,016,960
Taxes, fees and charges	9,980,476,735	13,252,070,758
Outside services	589,517,841,343	506,795,338,753
Other expenses	22,440,976,667	35,088,156,154
	735,085,690,018	655,968,320,044

33. Other income

	Six-month period ended	
	30/6/2017	30/6/2016
	VND	VND
Refundable taxes of imported goods	77,345,350,741	-
Income from demurrage fees	19,930,061,823	6,046,229,964
Others	7,403,018,593	6,927,921,338
	104,678,431,157	12,974,151,302

34. Trading and business costs by element

	Six-month period ended	
	30/6/2017	30/6/2016
	VND	VND
Staff costs	49,218,215,280	39,458,487,094
Depreciation and amortisation	36,821,163,033	34,267,250,325
Outside services	1,768,114,375,596	1,540,793,754,197
Other expenses	59,528,470,362	75,447,243,872
	1,913,682,224,271	1,689,966,735,488

Trading costs by element exclude expenses for purchasing petroleum (trading activity) during the period.

The Parent Company - Vietnam National Petroleum Group
Notes to the separate interim financial statements for the six-month period ended
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35. Income tax

(a) Recognised in the separate statement of income

	Six-month period ended	
	30/6/2017	30/6/2016
	VND	VND
Current tax expense		
Current period	75,792,644,176	144,626,244,394

(b) Reconciliation of effective tax rate

	Six-month period ended	
	30/6/2017	30/6/2016
	VND	VND
Accounting profit before tax	1,041,977,604,607	1,155,851,223,810
Tax at the Parent Company's tax rate	208,395,520,921	231,170,244,762
Tax exempt income	(132,602,876,745)	(78,450,286,339)
Movements in deductible temporary differences not recognised	-	(8,093,714,029)
	75,792,644,176	144,626,244,394

(c) Applicable tax rates

Under the current Income Tax Law, the Parent Company has an obligation to pay the government income tax at the rate of 20% of taxable profits from 2016.

36. Non-cash financing activities

	Six-month period ended	
	30/6/2017	30/6/2016
	VND	VND
Long-term equity investments in subsidiaries by offsetting against with liabilities	1,333,765,970,000	-
Adjustment to decrease the deficit of share capital unissued	-	347,152,410,000

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Notes to the separate interim financial statements for the six-month period ended
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37. Immature guarantee commitments

Details of immature guarantee commitments granted to subsidiaries were as follows:

	30/6/2017	1/1/2017
	VND	VND
Guarantee for bank loans (i)	1,314,499,513,484	1,504,409,213,484

- (i) According to the Guarantee Commitment No. 28/VANPHONG/2009/CKBL dated 8 June 2009 and Official Letter No. 0369/PLX-HDQT dated 1 April 2014, Vietnam National Petroleum Corporation (currently known as Vietnam National Petroleum Group) agreed to irrevocably and unconditionally guarantee the full and timely repayment by Van Phong Bonded Petroleum Terminal JV Co., Ltd. of all of its obligations (including the principal amount of USD77,500,000, interest, and fees) arising under the Credit Contract No.28/VANPHONG/2009/HDTD dated 8 June 2009.

38. Significant transactions with related parties

In addition to related party balances disclosed in other notes to the separate interim financial statements, the Parent Company had the following significant transactions with related parties during the period:

	Transaction value	
	Six-month period ended	
	30/6/2017	30/6/2016
	VND	VND
Subsidiaries and associates		
Petroleum member companies		
Sales of goods	50,109,687,847,563	38,193,366,678,712
Expenses for goods kept on behalf	326,196,533,989	296,854,197,699
Interest from entrusted loans granted	2,309,458,036	4,552,233,120
Collection of entrusted loans granted	19,887,923,269	54,954,623,029
Petrolimex Group Commercial Joint Stock Bank		
Interest income	28,188,120,445	26,430,542,090
Petrolimex Singapore Pte, Ltd.		
Purchase of goods and services	4,041,141,683,680	2,884,824,505,800
Vietnam Tanker Joint Stock Company		
Purchase of services	83,703,315,610	111,969,086,420
VITACO Saigon Company Limited		
Purchase of services	100,653,191,632	89,099,830,063

The Parent Company - Vietnam National Petroleum Group
Notes to the separate interim financial statements for the six-month period ended
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	Transaction value	
	Six-month period ended	
	30/6/2017	30/6/2016
	VND	VND
Petrolimex Insurance Corporation		
Purchase of services	97,561,844,311	77,910,440,954
Dividends	36,328,320,000	36,328,320,000
Van Phong Bonded Petroleum Terminal JV Co., Ltd.		
Purchase of services	53,321,591,200	51,815,905,407
Petrolimex Joint Stock Tanker Company		
Purchase of services	149,924,438,068	110,146,041,067
Sales of goods	-	81,356,030
Petrolimex Hai Phong Transportation and Service JSC		
Purchase of services	37,665,559,216	20,972,539,223
Petrolimex Tanker Corporation		
Purchase of services	756,074,563,248	633,346,560,445
Petrolimex Gas Corporation Joint Stock Company		
Dividends	37,925,158,800	31,604,299,200
Petrolimex Information Technology and Telecommunication Joint Stock Company		
Purchase of goods and services	13,836,010,730	11,018,963,796
Dividends	6,732,764,493	2,717,868,600
Petrolimex Aviation Fuel Joint Stock Company		
Dividends	53,100,000,000	-
Castrol BP PETCO Vietnam Company Limited		
Dividends	359,360,684,657	359,601,089,196
Petrolimex Petrochemical Corporation - JSC		
Dividends	127,778,518,000	-
Petrolimex (Lao) Ltd.		
Dividends	14,347,148,230	-
Board of Management and Supervisory Board		
Salaries, bonuses and other benefits	8,416,280,000	3,206,518,870
Board of General Directors		
Salaries, bonuses and other benefits	5,406,195,250	1,905,794,050

The Parent Company - Vietnam National Petroleum Group
Appendix 1: Converted separate balance sheet as at 30 June 2017

Form B 01 – DN

	Code	30/6/2017 USD	1/1/2017 USD
ASSETS			
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100	991,321,395	915,799,261
Cash and cash equivalents	110	370,964,632	362,997,152
Cash	111	146,030,711	132,953,099
Cash equivalents	112	224,933,921	230,044,053
Short-term financial investments	120	44,052,863	-
Held-to-maturity investments	123	44,052,863	-
Accounts receivable – short-term	130	142,172,216	194,026,334
Accounts receivable from customers	131	129,682,043	184,495,339
Prepayments to suppliers	132	1,290,481	440,402
Other receivables	136	11,199,692	9,090,593
Inventories	140	371,400,628	255,778,975
Inventories	141	372,547,483	255,778,975
Allowance for inventories	149	(1,146,855)	-
Other current assets	150	62,731,056	102,996,800
Short-term prepaid expenses	151	5,435,445	3,779,817
Deductible value added tax	152	9,630,140	5,032,932
Taxes and other receivables from State Treasury	153	46,634,789	92,462,654
Other current assets	155	1,030,682	1,721,397

The Parent Company - Vietnam National Petroleum Group
Appendix 1: Converted separate balance sheet as at 30 June 2017 (continued)

Form B 01 – DN

	Code	30/6/2017 USD	1/1/2017 USD
Long-term assets (200 = 220 + 240 + 250 + 260)	200	505,245,364	445,843,167
Fixed assets	220	15,617,783	16,768,738
Tangible fixed assets	221	3,732,655	3,937,387
<i>Cost</i>	222	11,537,352	11,205,401
<i>Accumulated depreciation</i>	223	(7,804,697)	(7,268,014)
Intangible fixed assets	227	11,885,128	12,831,351
<i>Cost</i>	228	22,404,693	22,265,522
<i>Accumulated amortisation</i>	229	(10,519,565)	(9,434,171)
Long-term work in progress	240	1,011,189	208,541
Construction in progress	242	1,011,189	208,541
Long-term financial investments	250	476,683,456	415,652,174
Investments in subsidiaries	251	437,911,973	379,155,763
Investments in associates, joint-ventures	252	55,984,958	55,984,958
Equity investments in other entities	253	4,665,760	4,665,760
Allowance for diminution in the value of long-term financial investments	254	(21,879,235)	(24,154,307)
Other long-term assets	260	11,932,936	13,213,714
Long-term prepaid expenses	261	10,913,753	12,009,125
Other long-term assets	268	1,019,183	1,204,589
TOTAL ASSETS (270 = 100 + 200)	270	1,496,566,759	1,361,642,428

The Parent Company - Vietnam National Petroleum Group
Appendix 1: Converted separate balance sheet as at 30 June 2017 (continued)

Form B 01 – DN

	Code	30/6/2017 USD	1/1/2017 USD
RESOURCES			
LIABILITIES (300 = 310 + 330)	300	623,146,654	575,258,994
Current liabilities	310	623,146,654	575,257,452
Accounts payable to suppliers	311	324,202,891	366,018,202
Advances from customers	312	14,861,994	6,255,405
Taxes and others payable to State Treasury	313	3,369,423	10,848,694
Payables to employees	314	835,773	1,054,189
Accrued expenses	315	58,984	800,191
Other payables – short-term	319	12,342,284	12,652,272
Short-term borrowings	320	153,869,516	95,317,932
Bonus and welfare fund	322	1,172,514	1,650,740
Petroleum price stabilization fund	323	112,433,275	80,659,827
Long-term liabilities	330	-	1,542
Science and technology development fund	343	-	1,542
EQUITY (400 = 410)	400	873,420,105	786,383,434
Owners' equity	410	873,420,105	786,383,434
Share capital	411	569,990,344	569,990,344
<i>Ordinary shares with voting rights</i>	<i>411a</i>	<i>569,990,344</i>	<i>569,990,344</i>
Share premium	412	96,938,236	61,275,353
Treasury shares	415	(59,499,932)	(68,310,505)
Investment and development fund	418	143,679	143,679
Retained profits	421	265,847,778	223,284,563
- <i>Retained profits brought forward</i>	<i>421a</i>	<i>223,284,563</i>	<i>223,284,563</i>
- <i>Retained profit for the current period/year</i>	<i>421b</i>	<i>42,563,215</i>	-
TOTAL RESOURCES (440 = 300 + 400)	440	1,496,566,759	1,361,642,428

The Parent Company - Vietnam National Petroleum Group
Appendix 1: Converted separate balance sheet as at 30 June 2017 (continued)

Form B 01 – DN

The converted separate balance sheet as at 30 June 2017, including amounts presented for the corresponding figures, has been translated from the reviewed separate balance sheet as at 30 June 2017 expressed in VND at the foreign currency transfer rate ruling at the reporting date as quoted by the Joint Stock Commercial Bank for Foreign Trade of Vietnam of VND22,700 for USD1. This method of translation does not comply with Vietnamese Accounting Standard No. 10 – “The Effect of Changes in Foreign Exchange Rates” and accordingly, the converted separate balance sheet as at 30 June 2017 is not intended to be a presentation in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and the relevant regulatory requirements applicable to interim financial reporting. The converted separate balance sheet should be read in conjunction with the reviewed separate balance sheet in VND.

Prepared by:



Pham Viet Tiep
Accountant

2 8 AUG 2017

Approved by:



Hoang Chi Mai
Manager of Accounting Department



Tran Van Thinh
General Director

The Parent Company - Vietnam National Petroleum Group

Appendix 2: Converted separate statement of income for the six-month period ended 30 June 2017

Form B 02 – DN


	Code	Six-month period ended	
		30/6/2017 USD	30/6/2016 USD
Revenue from sales of goods and provision of services	01	2,208,369,671	1,682,537,018
Cost of sales	11	2,169,784,272	1,627,903,435
Gross profit (20 = 01 - 11)	20	38,585,399	54,633,583
Financial income	21	40,387,629	29,813,922
Financial expenses	22	4,979,073	5,066,537
<i>In which: Interest expense</i>	23	2,766,741	4,815,104
Selling expenses and general and administration expenses	25	32,382,630	28,897,283
Net operating profit (30 = 20 + 21 - 22 - 25)	30	41,611,325	50,483,685
Other income	31	4,611,385	571,549
Other expenses	32	320,612	136,678
Results of other activities (40 = 31 - 32)	40	4,290,773	434,871
Accounting profit before tax (50 = 30 + 40)	50	45,902,098	50,918,556
Income tax expense – current	51	3,338,883	6,371,200
Net profit after tax (60 = 50 - 51)	60	42,563,215	44,547,356


The converted separate statement of income for the six-month period ended 30 June 2017, including amounts presented for the corresponding figures, has been translated from the reviewed separate statement of income for the six-month period ended 30 June 2017 expressed in VND at the foreign currency transfer rate ruling at the reporting date as quoted by the Joint Stock Commercial Bank for Foreign Trade of Vietnam of VND22,700 for USD1. This method of translation does not comply with Vietnamese Accounting Standard No. 10 – “The Effect of Changes in Foreign Exchange Rates” and accordingly, the converted separate statement of income for the six-month period ended 30 June 2017 is not intended to be a presentation in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and the relevant regulatory requirements applicable to interim financial reporting. The converted separate statement of income should be read in conjunction with the reviewed separate statement of income in VND.

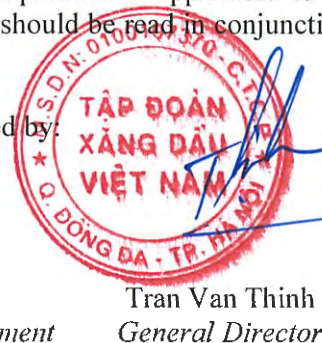
Prepared by:

28 AUG 2017

Approved by:


Pham Viet Tiep
Accountant


Hoang Chi Mai
Manager of Accounting Department


TẬP ĐOÀN
XĂNG DẦU
VIỆT NAM
Q. ĐÔNG ĐÀ - TP. HÀ NỘI

Tran Van Thinh
General Director

The Parent Company - Vietnam National Petroleum Group
Appendix 3: Converted separate statement of cash flows for the six-month period
ended 30 June 2017 (Indirect method)

Form B 03 – DN

	Code	Six-month period ended	
		30/6/2017 USD	30/6/2016 USD
CASH FLOWS FROM OPERATING ACTIVITIES			
Accounting profit before tax	01	45,902,098	50,918,556
Adjustments for			
Depreciation and amortisation	02	1,622,078	1,509,570
Allowances and provisions	03	(1,128,217)	(4,323,390)
Exchange losses/(gains) arising from revaluation of monetary items denominated in foreign currencies	04	319,118	(1,769,396)
Profits from investing activities	05	(35,522,031)	(22,143,614)
Interest expense	06	2,766,741	4,815,104
Other adjustments	07	31,541,638	(42,219,919)
Operating profit/(loss) before changes in working capital	08	45,501,425	(13,213,089)
Change in receivables	09	96,827,001	(36,383,056)
Change in inventories	10	(116,768,508)	(82,493,258)
Change in payables and other liabilities	11	(88,547,415)	90,339,466
Change in prepaid expenses	12	(560,255)	414,800
		(63,547,752)	(41,335,137)
Interest paid	14	(2,759,768)	(5,017,437)
Income tax paid	15	(15,605,731)	(61,413)
Other payments for operating activities	17	(416,214)	(230,478)
Net cash flows from operating activities	20	(82,329,465)	(46,644,465)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for additions to fixed assets and other long-term assets	21	(1,128,156)	(2,330,550)
Proceeds from disposals of fixed assets and other long-term assets	22	20	-
Payments for granting loans, purchase of debt instruments of other entities	23	(44,052,863)	-
Receipts from collecting loans	24	876,120	2,420,909
Receipts of interests on loans given, term deposits, dividends, and shares of profits	27	31,831,906	24,742,959
Net cash flows from investing activities	30	(12,472,973)	24,833,318

The Parent Company - Vietnam National Petroleum Group
Appendix 3: Converted separate statement of cash flows for the six-month period
ended 30 June 2017 (Indirect method – continued)

Form B 03 – DN

	Code	Six-month period ended	
		30/6/2017 USD	30/6/2016 USD
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from shares issued	31	-	177,945,839
Proceeds from transfer of treasury shares	31	44,473,455	-
Proceeds from short-term and long-term borrowings	33	995,292,475	1,159,977,522
Payments to settle loan principals	34	(936,995,327)	(1,302,255,703)
Net cash flows from financing activities	40	102,770,603	35,667,658
Net cash flows during the period (50 = 20 + 30 + 40)	50	7,968,165	13,856,511
Cash and cash equivalents at the beginning of the period	60	362,997,152	342,667,557
Effect of exchange rate fluctuations on cash and cash equivalents	61	(685)	(17,135)
Cash and cash equivalents at the end of the period (70 = 50 + 60 + 61)	70	370,964,632	356,506,933

The converted separate statement of cash flows for the six-month period ended 30 June 2017, including amounts presented for the corresponding figures, has been translated from the reviewed separate statement of cash flows for the six-month period ended 30 June 2017 expressed in VND at the foreign currency transfer rate ruling at the reporting date as quoted by the Joint Stock Commercial Bank for Foreign Trade of Vietnam of VND22,700 for USD1. This method of translation does not comply with Vietnamese Accounting Standard No. 10 – “The Effect of Changes in Foreign Exchange Rates” and accordingly, the converted separate statement of cash flows for the six-month period ended 30 June 2017 is not intended to be a presentation in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and the relevant regulatory requirements applicable to interim financial reporting. The converted separate statement of cash flows should be read in conjunction with the reviewed separate statement of cash flows in VND.

28 AUG 2017

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Pham Viet Tiep
Accountant

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Hoang Chi Mai
Manager of Accounting Department



Tran Van Thinh
General Director